

**STATE OF TEXAS  
DEPARTMENT OF INFORMATION RESOURCES**

**CONTRACT FOR PRODUCTS AND RELATED SERVICES**

**KRONOS INCORPORATED**

**1. Introduction**

**A. Parties**

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter "DIR") with its principal place of business at 300 West 15<sup>th</sup> Street, Suite 1300, Austin, Texas 78701, and Kronos Incorporated (hereinafter "Vendor"), with its principal place of business at 297 Bellerica Road, Chelmsford, Massachusetts 01824.

**B. Compliance with Procurement Laws**

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Comptroller of Public Accounts' Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-150, on January 29, 2010, for Software Products and Related Services. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-150 shall be posted by DIR on the Electronic State Business Daily.

**C. Order of Precedence**

This Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor's Historically Underutilized Businesses Subcontracting Plan; Appendix C, Pricing Index; Appendix D, Software License and Services Agreement; Exhibit 1, Vendor's Response to RFO DIR-SDD-TMP-150, including all addenda; and Exhibit 2, RFO DIR-SDD-TMP-150, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Exhibit 1, and finally Exhibit 2. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

**2. Term of Contract**

The term of this Contract shall be one (1) year commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend the Contract, upon mutual agreement, for up to three (3) optional one-year terms.

**3. Product and Service Offerings****A. Products**

Products available under this Contract are limited to the Software Products as specified in Appendix C, Pricing Index. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above. Vendor may not add a manufacturer's product line which was not included in the Vendor's response to the solicitation described in Section 1.B above.

**B. Services**

Services available under this Contract are limited to those specified in Appendix C, Pricing Index. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

**4. Pricing****A. Manufacturer's Suggested Retail Price (MSRP)**

MSRP is defined as the product sales price suggested by the manufacturer or publisher of a product.

**B. Customer Discount**

The minimum Customer discount for all products and services will be the percentage off MSRP as specified in Appendix C, Pricing Index.

**C. Customer Price**

1) The price to the Customer shall be calculated as follows:

$$\text{Customer Price} = \text{MSRP} - \text{Customer Discount}$$

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request.

3) During the term of this Contract, and except for Promotional Offers, if pricing for Vendor products under this Contract are provided at a lower per unit price for equal quantities to those purchased under a single Purchase Order (for the initial purchase of Product(s) by the Eligible Customer) to: (i) an eligible Customer who is not purchasing those Vendor products under this Contract or (ii) any other entity (excluding Vendor's authorized distributors and resellers that may include system integrator, services providers or outsourcers) or consortia authorized by Texas law to sell said Vendor products to eligible Customers, then, if applicable, the available Customer Price in this Contract shall be adjusted to that lower price. This Contract shall be amended within ten (10) business days to reflect the lower price.

**D. DIR Administrative Fee**

The administrative fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

**E. Shipping and Handling Fees**

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be Free On Board Customer's destination. No additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited delivery, Customer will be responsible for any charges for expedited delivery.

**F. Tax-Exempt**

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).

**G. Travel Expense Reimbursement**

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized for state employees as adopted by each Customer; and provided, further, that all reimbursement rates shall not exceed the maximum rates established for state employees under the current State Travel Management Program. Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

**H. Changes to Prices**

Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract. Price decreases shall take effect automatically during the term of this Contract and shall be passed onto the Customer immediately.

**5. DIR Administrative Fee**

A) The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is one half of one percent (.50%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$500.

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**B)** All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor. Any change in the administrative fee shall be incorporated in the price to the Customer.

## **6. Notification**

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Dan Contreras, Director  
ICT Cooperative Contracts Division  
Department of Information Resources  
300 West 15<sup>th</sup> Street, Suite 1300  
Austin, Texas 78701  
Phone: (512) 463-7381  
Facsimile: (512) 475-4759  
Email: [dan.contreras@dir.texas.gov](mailto:dan.contreras@dir.texas.gov)

If sent to the Vendor:

Robert Taylor  
Kronos Incorporated  
297 Bellerica Road  
Chelmsford, Massachusetts 01824  
Phone: (978) 352-5073  
Facsimile: (847) 704-6410  
Email: [robert.taylor@kronos.com](mailto:robert.taylor@kronos.com)

## **7. Software License and Service Agreements.**

### **A. Software License Agreements**

1) Customers acquiring software licenses under the Contract shall hold, use and operate such software subject to compliance with the Software License Agreement set forth in Appendix D of this Contract. No changes to the Software License Agreement terms and conditions may be made unless previously agreed to between Vendor and DIR. Customers may not add, delete or alter any of the language in Appendix D.

2) Compliance with the Software License Agreement is the responsibility of the Customer. DIR shall not be responsible for any Customer's compliance with the Software License Agreement. If DIR purchases software licenses for its own use under this Contract, it shall be responsible for its compliance with the Software License Agreement terms and conditions.

**B. Shrink/Click-wrap License Agreement**

Regardless of any other provision or other license terms which may be issued by Vendor after the effective date of this Contract, and irrespective of whether any such provisions have been proposed prior to or after the issuance of a Purchase Order for products licensed under this Contract, or the fact that such other agreement may be affixed to or accompany software upon delivery (shrink-wrap), the terms and conditions set forth in this Contract shall supersede and govern the license terms between Customers and Vendor. **It is the Customer's responsibility to read the Shrink/Click-wrap License Agreement and determine if the Customer accepts the license terms as amended by this Contract. If the Customer does not agree with the license terms, Customer shall be responsible for negotiating with the reseller to obtain additional changes in the Shrink/Click-wrap License Agreement language from the software publisher."**

**C. Service Agreements**

Services provided under this Contract shall be in accordance with the Service Agreement as set forth in Appendix D. No changes to the Service Agreement terms and conditions may be made unless previously agreed to by Vendor and DIR.

**8. Intellectual Property Matters**

The scope of work performed by Vendor is limited exclusively to the implementation and configuration of Vendor's product. As such, the deliverables created by Vendor are always specific to Vendor's product. Examples of common deliverables include training materials, and documentation of Vendor configurations as well as access to the Vendor's published electronic documentation. Vendor provides these deliverables to Customers as part of Vendor's technical services. Customers have full access to use and may modify these deliverables within Customers' environment. Additionally, Vendor often reuses the knowledge and intellectual property gained from previous customer deliverables to the benefit of other customers. Vendor always maintains and requires full intellectual property ownership of all deliverables provided under a technical services engagement. In no way does this prevent Customer from fully exploiting the value of Vendor's product within Customer's environment.

**9. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.**

A. Appendix A, Section 6. Contract Fulfillment and Promotion, C. Product Warranty and Return Policies is hereby restated in its entirety as follows:

Order Fulfiller will adhere to the Vendor's then-currently published policies, as set forth in Vendor's Software License and Services Agreement, concerning product warranties and returns as detailed in Appendix D. The standard Product warranty and

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return policies for Customers will not be more restrictive or more costly than standard warranty and return policies for other similarly situated Customers generally offered for like products.

- B. Appendix A, Section 9, Vendor Responsibilities, A. Indemnification, 1) Acts or Omissions is hereby restated in its entirety as follows:

Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM AND AGAINST ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any negligent acts or omissions of the Vendor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. VENDOR SHALL PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS FEES. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCIES AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS.

- C. Appendix A, Section 9, Vendor Responsibilities, A. Indemnification, 2). Infringements is hereby restated in its entirety as follows:

a) Vendor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES, from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the Customer's use of the Work Product. VENDOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. VENDOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS.

b) If Vendor becomes aware of an actual or potential claim, or Customer provides Vendor with notice of an actual or potential claim, Vendor may (or in the case of an injunction against Customer, shall), at Vendor's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing.

c) This indemnification shall not apply to infringement claims arising from (i) modifications made to the item in question by anyone other than Vendor and its

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subcontractors working at Vendor's direction; (ii) the combination, operation or use of the item with other items Vendor did not supply; (iii) Customer's failure to use any new or corrected versions of the item made available by Vendor; or (iv) Vendor's adherence to Customer's specifications or instructions.

D. Appendix A, Section 9, Vendor Responsibilities, C. Vendor Certifications is hereby restated to read as follows:

Vendor certifies that it and, to the best of its knowledge, its designated Order Fulfillers: (i) have not given, offered to give, and do not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract; (ii) are not currently delinquent in the payment of any franchise tax owed the State of Texas and are not ineligible to receive payment under §231.006 of the Texas Family Code and acknowledge the Contract may be terminated and payment withheld if this certification is inaccurate; (iii) neither they, nor anyone acting for them, have violated the antitrust laws of the United States or the State of Texas, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage; (iv) have not received payment from DIR or any of its employees for participating in the preparation of the Contract; (v) under Section 2155.004, Texas Government Code, the vendor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate; (vi) to the best of their knowledge and belief, there are no suits or proceedings pending or threatened against or affecting them, which if determined adversely to them will have a material adverse effect on the ability to fulfill their obligations under the Contract; (vii) are not suspended or debarred from doing business with the federal government as listed in the *Excluded Parties List System (EPLS)* maintained by the General Services Administration; (viii) as of the effective date of the Contract, are not listed in the prohibited vendors list authorized by Executive Order #13224, "*Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism*", published by the United States Department of the Treasury, Office of Foreign Assets Control; (ix) to the extent applicable to this scope of this Contract, Vendor hereby certifies that it is in compliance with Subchapter Y, Chapter 361, Health and Safety Code related to the Computer Equipment Recycling Program and its rules, 30 TAC Chapter 328; (x) Vendor agrees that any payments due under this contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas; (xi) Vendor certifies that they are in compliance Section 669.003, Texas Government Code, relating to contracting with executive head of a state agency; (xii) Vendor certifies for itself and its subcontractors that it has identified all current or former, within the last five years, employees of the State of Texas assigned to work on the DIR Contract 20% or more of their time and has disclosed them to DIR and has disclosed or does not employ any relative of a current or former state employee within two degrees of consanguinity, and, if these facts change during the course of the Contract, Vendor

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certifies it shall disclose for itself and on behalf of subcontractors the name and other pertinent information about the employment of current and former employees and their relatives within two degrees of consanguinity; (xiii) Vendor represents and warrants that the provision of goods and services or other performance under the Contract will not constitute an actual or potential conflict of interest and certifies that it will not reasonably create the appearance of impropriety, and, if these facts change during the course of the Contract, Vendor certifies it shall disclose for itself and on behalf of subcontractors the actual or potential conflict of interest and any circumstances which create the appearance of impropriety; (xiv) Vendor represents and warrants that the Customer's payment to Vendor and Vendor's receipt of appropriated or other funds under this Agreement are not prohibited by Sections 556.005 or Section 556.008, Texas Government Code; and (xv) under Section 2155.006, Government Code, Vendor certifies that the individual or business entity in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate. In addition, Vendor acknowledges the applicability of §2155.444 and §2155.4441, Texas Government Code, in fulfilling the terms of the Contract. During the term of the Contract, Vendor shall, for itself and on behalf of its subcontractors, promptly disclose to DIR all changes that occur to the foregoing certifications, representations and warranties. Vendor covenants to fully cooperate in the development and execution of resulting documentation necessary to maintain an accurate record of the certifications, representations and warranties.

- E. Appendix A, Section 9, Vendor Responsibilities, K. Limitation of Liability is hereby restated in its entirety as follows:

For any claim or cause of action arising under or related to the Contract: i) to the extent permitted by the Constitution and the laws of the State of Texas, none of the parties shall be liable to the other for punitive, special, or consequential damages, even if it is advised of the possibility of such damages; and ii) Vendor's liability for damages of any kind to the Customer for a claim under a Purchase Order or Statement of Work shall be limited to the total amount paid to Vendor under the applicable Purchase Order or Statement of Work during the twelve months immediately preceding the accrual of the claim or cause of action, and for the aggregate of all claims under a Purchase Order or Statement of Work shall be limited to the total value of the applicable Purchase Order or Statement of Work. However, this limitation of Vendor's liability shall not apply to claims of patent, trademark, or copyright infringement.

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This Contract is executed to be effective as of the date of last signature.

**Kronos Incorporated**

Authorized By: Signature on File

Name: Alyce Moore

Title: VP, General Counsel

Date: July 13, 2011

**The State of Texas, acting by and through the  
Department of Information Resources**

Authorized By: Signature on File

Name: Cindy Reed

Title: Deputy Executive Director  
Operations & Statewide Technology Sourcing

Date: 7/14/11

Legal: Signature on File

**Appendix C, Pricing Index, Kronos Contract No. DIR-SDD-1677**

| KRONOS LABOR ACCOUNTING SOLUTION MODULES INCLUDED IN BUNDLES   |  | BUNDLE PRICE |
|--|--|--------------|
| <b>TX DIR Kronos Labor Accounting Solution 5,000 Employee Bundle</b>   |  |              |
| Includes 50% Discount and the following integrated modules.  |  |              |
| Timekeeper<br>Employee<br>Scheduler<br>Record Manager<br>Analytics<br>Absence Manager<br>Integration Manager<br>Activities<br>Central for Managers (includes 500)<br>Mobile Employee<br>Mobile Manager (includes 500)<br>Attestation (add \$10,320 on first bundle)<br>First Year Maintenance and Support  | Texas<br>DIR<br>Labor Accounting<br>5,000 Bundle | \$1,300,000  |
| PROVIDED THAT A QUALIFIED DIR CUSTOMER WITH LESS THAN 5,000 TOTAL EMPLOYEES, IT MAY LICENSE THE TOTAL FTE COUNT AT THE 5,000 BUNDLE PRICE, PRORATED TO THAT TOTAL. MUST LICENSE ALL EMPLOYEES. MAINTENANCE AND SUPPORT FEE IS INCLUDED FIRST YEAR. (Second year of maintenance at the Gold level will begin at 19% of total bundled price) QUALIFIED ENTITIES MAY PURCHASE TOGETHER, INCREASING THE BUNDLE DISCOUNT PROVIDED THEY EXECUTE THE AGREEMENTS ON THE SAME DAY, AND THE COMBINED TOTAL MOVES THEM TO A LARGER DISCOUNT FROM THE TABLE BELOW. |  |              |
| ADDITIONAL BUNDLE DISCOUNT BASED ON TOTAL NUMBER OF BUNDLES PURCHASED BEING PURCHASED.   | Additional Volume Discount                       | Per Bundle   |
| 2 Bundles  | 5%   | \$1,235,000  |
| 3 Bundles  | 10%  | \$1,170,000  |
| 4 Bundles  | 15%  | \$1,105,000  |
| 5 to 6 Bundles   | 20%  | \$1,040,000  |
| 7 to 10 Bundles  | 25%  | \$975,000    |
| 11 to 15 Bundles   | 30%  | \$910,000    |
| 16 or more Bundles   | 35%  | \$845,000    |
| <b>TEX DIR KRONOS LABOR ACCOUNTING SOLUTION 100 SEATS (Includes 100 seats)</b>   |  |              |
| AFTER OR DURING THE INITIAL BUNDLE PURCHASE, QUALIFIED DIR CUSTOMERS MAY PURCHASE 100 EMPLOYEE BUNDLE(S) TO INCREASE THE TOTAL LICENSE CAPACITY FROM THE MINIMUM OF A 5,000 EMPLOYEE BUNDLE. MAINTENANCE AND SUPPORT FEE IS INCLUDED FIRST YEAR. (Second year of maintenance at the Gold level will begin at 19% of total bundled price)   |  |              |
| Timekeeper<br>Employee<br>Scheduler<br>Record Manager<br>Analytics<br>Absence Manager<br>Integration Manager<br>Activities<br>Central for Managers (includes 10)<br>Mobile Employee<br>Mobile Manager (includes 10)<br>Attestation<br>First Year Maintenance and Support   | Texas<br>DIR<br>Labor Accounting<br>100 Bundle   | \$35,000     |

### Appendix C, Pricing Index, Kronos Contract No. DIR-SDD-1677

| KRONOS TECHNICAL SERVICES  |  | DISCOUNT                   |
|--|--|----------------------------|
| Momentum Project Management  |  | 10%                        |
| Momentum Application/Solution Technicians  |  | 10%                        |
| Momentum Technicians /Ed. Technicians  |  | 10%                        |
| Kronos - Telestaff Base Deployment   |  | 10%                        |
| Kronos - Telestaff Advanced Configuration  |  | 10%                        |
| Kronos - Telestaff Auctions Configuration Deployment Kronos - TeleStaff  |  | 10%                        |
| Kronos - Telestaff Solution Development  |  | 10%                        |
| Kronos - Telestaff Add-on Deployment   |  | 10%                        |
| Training Points - May be redeemed for an equivalent value of instructor-led training sessions offered by Kronos.   |  | \$1.00 per point           |
| KNOWLEDGEPASS EDUCATIONAL SERVICES   |  |                            |
| KNOWLEDGEPASS EDUCATIONAL SERVICES SUBSCRIPTION PRICE BASED ON NUMBER OF TOTAL EMPLOYEES ANNUAL SUBSCRIPTION   |  |                            |
| Number of Employees  |  | Price for KnowledgePass    |
| 0-150  |  | \$525                      |
| 151-299  |  | \$945                      |
| 300-349  |  | \$1,575                    |
| 350-399  |  | \$1,850                    |
| 400-1500   |  | \$2,100                    |
| 1501-2500  |  | \$4,200                    |
| 2501-5000  |  | \$7,875                    |
| 5000+  |  | \$9,975                    |
| This convenient education subscription offering provides managers, end users, and administrators/IT staff with anytime, anywhere access to education content and support tools.  |  |                            |
| Set up, track, complete, and measure your training activities when you need them. Use KnowledgePass during implementation, when on-boarding new hires, or when upgrading to the latest release of software   |  |                            |
| KnowledgePass includes: <ul style="list-style-type: none"><li>Product and upgrade information for project teams and end users</li><li>Hands-on interactive instruction on common tasks</li><li>Self-paced tutorials covering a range of topics</li><li>Job aids</li><li>Knowledge assessment and reporting tools to measure progress</li><li>Access to Books 24x7, the leader in online publishing containing titles relevant to managers, administrators, and IT administrators</li><li>KnowledgePass Learning Live webinars</li></ul>  |  |                            |
| Kronos - Scheduling for Fire and Public Safety Scheduling Bundle   |  | BUNDLE PRICE               |
| Includes 10% Discount and the following integrated modules.  |  |                            |
| Kronos - TeleStaff Enterprise  | Texas DIR<br>Fire and Public Safety<br>Scheduling 500 Bundle | \$106,875                  |
| Kronos - TeleStaff Auctions  |  |                            |
| Kronos - Telestaff Web Access - TSG Hosted v2  |  |                            |
| 1st Year Enterprise & Auctions Platinum Annual Maintenance   |  |                            |
| 1st Year Web Access Support  |  |                            |
| PROVIDED THAT A QUALIFIED DIR CUSTOMER WITH LESS THAN 500 TOTAL EMPLOYEES, IT MAY LICENSE THE TOTAL FTE COUNT AT THE 500 BUNDLE PRICE, PRORATED TO THAT TOTAL. MUST LICENSE ALL EMPLOYEES. MAINTENANCE AND SUPPORT FEE IS INCLUDED FIRST YEAR. Second year of Enterprise & Auctions Platinum Annual Maintenance will begin at 25% of total bundled price. Second year of Web Access Support will begin at 8.25% of per bundle price. QUALIFIED ENTITIES MAY PURCHASE TOGETHER, INCREASING THE BUNDLE DISCOUNT PROVIDED THEY EXECUTE THE AGREEMENTS ON THE SAME DAY, AND THE COMBINED TOTAL MOVES THEM TO A LARGER DISCOUNT FROM THE TABLE BELOW. |  |                            |
| ADDITIONAL BUNDLE DISCOUNT BASED ON TOTAL NUMBER OF BUNDLES PURCHASED BEING PURCHASED.   |  | Additional Volume Discount |
| 2 Bundles  |  | 10%                        |
| 3 Bundles  |  | 15%                        |

**Appendix C, Pricing Index, Kronos Contract No. DIR-SDD-1677**

| ADDITIONAL BUNDLE DISCOUNT BASED ON TOTAL NUMBER OF BUNDLES PURCHASED BEING PURCHASED.   | Additional Volume Discount                   | Per Bundle |
|--|--|------------|
| 4 Bundles  | 20%  | \$85,500   |
| 5 to 9 Bundles   | 25%  | \$80,156   |
| 10 to 15 Bundles   | 30%  | \$74,813   |
| 16 or more Bundles   | 35%  | \$69,469   |
| SITE LICENSES  |  |            |
| Kronos - TeleStaff Gateway Manager (includes 1st year Platinum Annual Support and Maintenance)   |  | \$5,625    |
| Kronos - TeleStaff Reporting (includes 1st year Platinum Annual Support and Maintenance)   |  | \$5,625    |
| Kronos - TeleStaff Web Timecard (includes 1st year Platinum Annual Support and Maintenance)  |  | \$2,813    |
| Kronos - TeleStaff Database Sybase License (Base Server License & Concurrent License)  |  | \$4,500    |
| TX DIR KRONOS FIRE AND PUBLIC SAFETY SCHEDULING BUNDLE 100 BUNDLE  |  |            |
| AFTER OR DURING THE INITIAL BUNDLE PURCHASE, QUALIFIED DIR CUSTOMERS MAY PURCHASE 100 EMPLOYEE BUNDLE(S) TO INCREASE THE TOTAL LICENSE CAPACITY FROM THE MINIMUM OF A 5,000 EMPLOYEE BUNDLE. MAINTENANCE AND SUPPORT FEE IS INCLUDED FIRST YEAR. (Second year of maintenance at the Gold level will begin at 19% of total bundled price) |  |            |
| Kronos - TeleStaff Enterprise Software   | Fire and Public Safety Scheduling 100 Bundle | \$21,250   |
| Kronos - Telestaff Auctions Software   |  |            |
| Kronos - Telestaff Web Access - TSG Hosted v2  |  |            |
| 1st Year Enterprise & Auctions Platinum Annual Maintenance   |  |            |
| 1st Year Web Access Support  |  |            |
| FIRST YEAR MAINTENANCE AND SUPPORT FEES INCLUDED. Second year of Enterprise & Auctions Platinum Annual Maintenance will begin at 25% of total bundled price. Second year of Web Access Support will begin at 8.25% of per bundle price.  |  |            |